



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

James Stephenson, Treasurer
North Carolina Democratic Party - Federal
220 Hillsborough Street
Raleigh, NC 27603

MAR 12 2003

Identification Number: C00165688

Reference: Amended 12 Day Pre-General Report (10/1/02-10/16/02), received
12/03/02

Dear Mr. Stephenson:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule B supporting Line 23 of your report discloses one or more contributions to a candidate(s) for the 2002 North Carolina Primary election; however, the funds were disbursed after the election date(s) (pertinent portion(s) attached). Please note that contributions may not be designated for an election which has already occurred unless the funds are to be used to reduce a candidate committee's debts incurred during that election campaign.

If any apparently impermissible contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information.

If you have made an impermissible contribution, you must request a refund or provide a written authorization for a redesignation of the contribution pursuant to 11 CFR §110.2(b) within 60 days of the treasurer's receipt.

If the foregoing conditions for redesignations were not met within 60 days of the treasurer's receipt, your committee must obtain a refund.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund or redesignation request sent

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to the recipient committee(s). In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received. Any redesignations should be disclosed as memo entries on Schedule B supporting Line 23 of the report covering the period during which the redesignation is made. 11 CFR §110.1(b)

Although the Commission may take further legal action regarding this impermissible activity, your prompt action in obtaining a refund and/or redesignating the contribution(s) will be taken into consideration.

-Schedule F of your report discloses the Aggregate General Election Expenditure(s) for Frank Balance, Melvin Luther Watt, and Erskine Bowles to be \$15,658.33 each. However, FEC calculations disclose these amounts to be \$19,278.33, \$19,278.33, and \$16,258.33, respectively. Please amend your report to correct these apparent discrepancies.

-Schedule A of your report discloses receipts totaling \$20,000 and \$9,834.47 from the ASDC Dollars for Democrats and the Democratic National Committee/State Party Victory Fund, respectively, which are joint fundraising committees affiliated with your committee. The sum of the entries itemized on the memo Schedule A, however, total \$540 and \$0.

Please be advised that a memo Schedule A must be provided to itemize your committee's share of the gross contributions received through the joint fundraiser. The memo schedule should itemize each individual who has contributed an aggregate in excess of \$200 during the calendar year, and provide the amount of unitemized contributions received. In addition, the memo schedule should itemize your committee's share of all contributions from political committees, regardless of amount. 11 CFR §102.17(c)(8)(i)(B) Please clarify this discrepancy.

-Line 21(a)(i) of the Detailed Summary Page of your report discloses a total of \$272,027.61 for the federal share of allocable activity. The sum of the entries itemized on Schedule H4, however, indicates the total to be \$328,642.61. Please amend your report to clarify the discrepancy.

-On Schedule B supporting Line 21(b) you have disclosed a disbursement to your non-federal account for "Transfer of Nonfed H4 Refund 02". However, your report does not disclose a corresponding refund(s)/rebate(s)

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for shared activity. Please be advised refund(s) or rebate(s) must be allocated between the federal and non-federal accounts according to the same allocation ratio used to allocate the original disbursement. Furthermore, the federal account must transfer the non-federal portion to the non-federal account using one of two methods.

The method of reporting described in Advisory Opinion 1995-22 allows a committee to itemize the refund or rebate as a negative entry on Schedule H4. Alternatively, a committee may disclose the receipt of the refund or rebate into the federal account on Schedule A supporting Line 15, and the transfer of the non-federal account's share to the non-federal account on Schedule H4.

Please provide further clarification regarding this transfer to your non-federal account and/or amend your report to properly disclose this activity.

-Schedule H4 discloses payments made to credit card companies for shared federal and non-federal activity. Please be advised that these payments must identify as memo entries, the original vendors from which you have purchased an item or service regardless of the amount. Please amend your report by providing the name and mailing address of the original vendor, along with the date, amount and purpose of each expenditure. 11 CFR §104.10.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) H4 of your report to clarify the following description(s): "See Memo Entries Below". For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Please clarify all expenditures for "voter registration" and/or "GOTV". If any of these activities referenced House or Senate candidates, they should be allocated accordingly, unless merely incidental to the overall activity. If a portion or all of these expenditures were made on behalf of federal candidates, they should be reported on Schedules B, E, or F for Lines 23, 24, or 25 of the Detailed Summary Page, as appropriate.

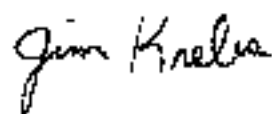
-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have checked the category DIRECT CANDIDATE SUPPORT for the

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payment(s) to "Impact Public Relations and Strategies", "AMS Communications, Inc.", and "Winston Salem Chronicle". You have disclosed the FEDERAL SHARE(S) as \$2,400.00, \$46,975.00, and \$7,240.00. Be advised that any FEDERAL SHARE in-kind payments, independent expenditures or coordinated expenditures for DIRECT CANDIDATE SUPPORT should be reported in memo entry form on Schedule H4 and must also be itemized on Schedule B, E or F supporting Lines 23, 24 or 25, of the Detailed Summary Page, respectively. Please amend your report to correct this apparent discrepancy.

A response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Jim Krebs
Campaign Finance Analyst
Reports Analysis Division

SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS

 Use separate schedule(s)
 for each category of the
 Detailed Summary Page

 FOR LINE NUMBER:
 (check only one)

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<input type="checkbox"/> 21b	<input type="checkbox"/> 22	<input checked="" type="checkbox"/> 23	<input type="checkbox"/> 24	<input type="checkbox"/> 25
<input type="checkbox"/> 26	<input type="checkbox"/> 27	<input type="checkbox"/> 28a	<input type="checkbox"/> 28b	<input type="checkbox"/> 28c
<input type="checkbox"/> 29				

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee

NAME OF COMMITTEE (in Full)

North Carolina Democratic Party - Federal

Full Name (Last, First, Middle Initial)

A. Brad Miller Congressional Campaign

Date of Disbursement

10 / 04 / 2002

Mailing Address

1700 Hunting Ridge Road

City

Raleigh

State

NC

Zip Code

27615

Amount of Each Disbursement This Period

5000.00

Purpose of Disbursement

1000.50/CONTRIBUTION

Candidate Name

Category/
Type

1000.50/CONTRIBUTION

Office Sought:

House

Disbursement For:

2002

Senate

Primary

X General

President

Other (specify) ▼

Transaction ID: 1014200252E6985

State:

District:

Full Name (Last, First, Middle Initial)

B. Dan Blue Senate Committee

Date of Disbursement

10 / 08 / 2002

Mailing Address

205 Fayetteville Street Mall

Suite 100

City

Raleigh

State

NC

Zip Code

27601

Amount of Each Disbursement This Period

5000.00

Purpose of Disbursement

1000.50/CONTRIBUTION

Candidate Name

Category/
TypeNC Primary was held 9/10/02.
1000.50/CONTRIBUTION

Office Sought:

House

Disbursement For:

2002

Senate

X Primary

General

President

Other (specify) ▼

Transaction ID: 1014200252E7051

State:

District:

C.

SUBTOTAL of Disbursements This Page (optional) ▶

10000.00

TOTAL This Period (last page this line number only) ▶

10000.00

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